

Investigating Internal Market Orientation: Is Context Relevant?

Author Details:

Dr. Qionglei Yu*

Kent Business School, University of Kent, Canterbury, CT2 7FS, UK. Tel: +44-1227-827784, Email: Q.l.yu@kent.ac.uk;

Prof. Bradley R. Barnes

The Hang Seng University of Hong Kong, Shatin, New Territories, Hong Kong. Tel: +852 39635102, Email: bradleybarnes@hsu.edu.hk;

Yu Ye

PhD candidate, Kent Business School, University of Kent, Canterbury, CT2 7FS, UK. Tel+44-1227-827726, Email: yy253@kent.ac.uk.

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Abstract

Purpose – Through undertaking qualitative research within different industrial contexts, the study aims to address the following: a) how do practitioners in non-service organisations interpret internal market orientation (IMO); b) how is IMO practiced within an eastern cultural context; and c) what are the outcomes of its implementation?

Design/methodology/approach – The study examines three organisations from three different industries and draws on nine in-depth interviews with people across various levels within each organisation.

Findings – The study reveals that: a) senior management commitment should be included in the design of IMO at the strategic level; b) effective responsiveness to internal information collected is crucial to its success; c) creative ways to meet internal customers' needs and expectations are contextualised; and d) cultural nuances need to be considered when applying IMO.

Research limitations/implications – Choosing a multiple-case study approach provides in-depth explanations, however such an approach may lead to less generalisability.

Practical implications – The study advocates that a) some degree of resources are needed to ensure that IMO can be fully implemented and employee welfare enhanced; b) creativity is required for each organisational context responding to employees' needs, expectations, complaints or ideas; and c) removing unnecessary barriers can help to foster better interdepartmental relationships, and thus improve work procedures and employee satisfaction.

Originality/value – This article contributes to the literature by developing a framework to signal the importance of IMO as a facilitator for better firm communication and performance. Contextualised IMO practices from the cases may shed further light on specific best practice.

Keywords: Internal market orientation, firm communication, organisational performance, case studies.

Article Type: Research paper

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Introduction

The dynamic marketplace is becoming increasingly competitive. In response, companies are often searching for more diverse ways to perform better and obtain competitive advantage. Effective communication within the firm plays a crucial role in influencing employees' attitudes, behaviour and firm performance (Welch and Jackson, 2007). One way to facilitate communication is for companies to adopt an internal market orientation (IMO) which is posited as a beneficial managerial tool for strengthening employer-employee relationships (Ferdous et al., 2013; Yu et al., 2018).

In reviewing the internal marketing and IMO literature, it is noticeable that previous research has tended to apply the market orientation concept internally within the organisation, via predominantly quantitative research techniques. Such studies have also attempted to demonstrate the impact of IMO on outcome variables. In particular, IMO studies have often focussed on the service sector. Despite increased attention, there has been scant research using qualitative methods to validate the concept of internal market orientation and its impact in a broader context.

Existing research tends to answer the question whether companies have applied IMO rather than 'how'. To investigate 'how', in-depth case studies are used in an attempt to extend the existing literature and go beyond previous studies that have tended to focus purely within the service context in western settings. Although the notion of internal marketing i.e., to create satisfied internal customers so as to best serve and create happy external customers has been well researched in the service domain, this study extends such work by examining whether IMO is also applicable in a non-service context (Yu et al., 2018). This study also acknowledges that as a western managerial concept, IMO may be interpreted and applied differently across different cultural

contexts. For example, specific cultural traits and values may well have an influence on workers' attitudes and behaviour in the workplace, which can also affect interpersonal relationships among staff (Farh et al., 2007).

The nature of a multiple-case study approach therefore provides an opportunity to draw on insightful examples that may help managerial practitioners to improve employer-employee relationships and company competitiveness. Through investigating different contextual scenarios, the study aims to extend existing theory beyond testing hypotheses by exploring IMO and considering its potential impact on a case by case basis. To assess the extent to which existing IMO constructs taken from the west can extend to a different cultural context, this research investigation uses a multiple-case study approach within an eastern cultural context, i.e. China. The study seeks answers relating to the following questions: a) how do practitioners in organisations interpret internal market orientation; b) how is IMO practiced within the organisation in a collective cultural context; and c) what are the outcomes of IMO implementation?

The proposed research findings may provide inspiration for practitioners wishing to implement IMO in an Asian context beyond the service industry. By providing a reference framework, this study may also provide researchers and practitioners with a more comprehensive picture of the composition of IMO and its impact across different levels within the organisation. In addition, certain approaches adopted may provide practitioners with inspiring ideas to further facilitate internal communication within their organisations, leading them to better manage their workforce relations.

Theoretical background

Drawing on the theory of social exchange, internal marketing emphasises the importance attached to how the company treats its employees. If the company treats staff members well, they will be more willing to reciprocate, by working with a positive attitude and behaviour when delivering service to external customers (Ayree, Budhwar and Chen, 2002). In a bid to facilitate social exchange, internal marketing has been primarily proposed in the services context to attract, motivate and retain the best qualified employees (Berry and Parasuraman, 1991).

Early research in the area has suggested that applying marketing techniques within the organisation can prove useful for effectively managing the workplace (Rafiq and Ahmed, 2000). However, simply focusing on the adoption of marketing techniques internally and treating jobs as products has often led to over simplicity in practice and implementation difficulties. Further research is therefore needed to develop a clearer understanding of the concept, clarify the importance of such a managerial approach and clearly demonstrate its overall effectiveness (Lings and Greenley, 2005).

Internal Market Orientation

Building on the concept of internal marketing, but recognising its difference in terms of practice, IMO was adapted from the market orientation construct to fit within the context of employer-employee relational exchange in the firm (Lings and Greenley, 2005). Research suggests that IMO is a multidimensional construct that stemmed from earlier research surrounding market orientation (Lings and Greenley, 2005). The literature suggests that market orientation's primary objective is to deliver superior value to the customer. This can be realised via the acquisition of knowledge that is derived from customer and competitor analyses and involves the process by which such knowledge is effectively disseminated via various channels throughout the organization

and across different levels (Crick, 2018). Through proactively understanding the needs of customers, competitive actions and market trends, organisations are able to become market-orientated and thus develop their capabilities for obtaining competitive advantage to leverage long-term performance advantages.

Several definitions of market orientation have been proposed. Among those, the frameworks offered by Narver and Slater (1990) and Kohli and Jaworski (1990) are the most recognised (Cadogan and Diamantopulos, 1995; Kara et al., 2005). Kohli and Jaworski (1990) suggest that market orientation refers to organisational-wide generation, dissemination and responsiveness to market intelligence. It involves multiple departments within the organisation, with the overall aim of creating superior performance and long-term sustainable competitive advantage.

Market orientation essentially relates to being customer focused and coordinated. Narver and Slater (1990) suggest that marketing orientation can reflect on an organisation's culture, which may foster appropriate behaviour among employees, so they deliver effective and efficient superior customer value, that ultimately leads to superior performance. Although the work of Narver and Slater (1990) and Kohli and Jaworski (1990) are often considered closely related, they are also somewhat distinct (Mavondo and Farrell, 2000; Kara et al., 2005). In terms of the commonalities between the two, they both focus on the central role of the customer, external orientation, the importance of being responsive to customers and having the interests of other stakeholders in mind (Mavondo and Farrell, 2000; Kara et al., 2005).

Although much existing research supports the scales developed by Narver and Slater (1990) relating to cross-cultural, cross-country, cross-group or cross-industry comparative research (Deshpande and Farley, 1998), Kohli and Jaworski's (1990) process driven model offers a useful starting point for developing IMO research.

Whereas the market orientation construct looks to create competitive advantage through identifying and satisfying the needs of external customers, IMO is considered useful for managers to grasp as it advocates that employees also have their own needs and wants within their workplace environment.

Most IMO studies have tended to be undertaken in western contexts. Such studies were reported from Greece (Boukis et al., 2014), Spain (Tortosa-Edo, et al., 2015) and the UK (Yu et al., 2017). In reviewing the IMO literature, scant research has adopted qualitative approaches to investigate the phenomenon. An opportunity therefore exists to undertake qualitative research, using case studies to delve deeper in terms of ‘how’ and ‘why’ firms should adopt such IMO practices to improve their organisation performance. Unlike quantitative research, which aims to generate scientific outcomes, this study examines IMO in greater depth across different contexts. It is argued that without adequate practical business experience, it is hard to develop theory further (Gummeson, 2000). Hence, a case study approach provides an opportunity to explore existing theory as well as offer a source for generating new hypotheses in the area (Saunders, Lewis and Thornhill, 2000).

Methodology

Case study methodology

This study applies a critical realism philosophical view, which rejects the adoption of a purely inductive or deductive process of theory development (Chandra and Shang, 2017). The study draws on three different cases with the purpose of providing insights to refine theory without separating theory building and theory testing (Welch et al., 2011). The use of more than one case aims to provide for a better understanding of

different contexts and to maximise the findings so they can be applied to wider-ranging circumstances (Stake, 1995).

To accommodate the research purpose, the cases were selected based on the contextual subject, data accessibility and resource availability (Stake, 1995). Unlike regions where many previous IMO studies were undertaken, such as North America and Europe, China represents a very different context, which due to its rapid development is worthy of scholarly research in this area (Peng et al., 2014). Within this broad context, various organisations in China may exhibit their own unique characteristics. Chinese companies were therefore selected as a means to learn more about IMO within this emerging economy context (see Table 1). In addition, and in order to investigate how IMO operates in the non-service sector, the companies sampled were all representative on non-service firms. An attempt was made to extend the current IMO application in other industries and argue for its legitimacy as an effective managerial tool beyond the existing literature. The profile of companies, such as their size, history and ownership was also taken into consideration as such factors may have a different impact on the application of IMO internally (Yu et al., 2017).

Building on the research questions, nine companies were approached initially via the local business community and three were selected as cases to investigate further. They all reported some degree of IMO application, albeit they did not necessarily refer to such practices as IMO. Telephone calls were made to explain the purpose of the study and schedule a time to visit. Company tours were arranged and interviews were conducted on-site. The natural setting of the case can often help researchers have a better understanding of specific contextual effects, processes or behaviour, but generalisability is not intended from such observations (Crick et al., 2018).

To obtain different opinions from within the vertical hierarchies of the company and specifically probe further on IMO's influence at different organisational levels, three people were approached from each company to interview. They included senior management, middle management and one from the front line. Managers were selected as key informants as they are aware of the daily practice of the entire company and the general phenomenon. Each employee was presented with a different list of questions. All the questions were open-ended. Total confidentiality was promised to all respondents and their answers remained anonymous.

Selection of the case study companies

Pseudo names were used for the selected organisations i.e., Companies A, B and C. Company A is state-owned and began trading in 1992. Currently the company employs over 300 staff and relies heavily on employing part-time processors each year during the tea harvest period. The company is involved in tea farming, tea production and sales. Since 2005, the company attempted to distil a better management process within the company, which particularly focuses on departmental customer identification. As an agricultural-based firm, the selection of this company is important as it challenges the statement made by Ferdous et al., (2013) that companies employing seasonal part-time workers might exhibit lower levels of IMO.

Private companies represent the most vibrant and prosperous sector compared to other types of organisations in China (Wang et al., 2007). They often have a lot of opportunities yet face challenges in terms of people management. Choosing a company from the private sector tends to provide insightful advice for scholars. Private companies in China are normally small and have less access to resources compared to other types of organisations (Peng et al., 2004). Company B is a privately-owned

company which was established in 1999. The company outsources its manufacturing but focuses on four business functions: research, design and development, branding and marketing, as well as distribution and sales. Company B has several supporting functions that include finance, legal support and administration. Company B implemented ‘an internal customer’ system in 2005.

The third case selected was a recipient of foreign investment. Foreign invested companies in China often adopt western management practices and normally enjoy stable financial conditions and policy advantages. Although foreign invested companies often pay more attention to improving employment relationships, many found that recruiting and retaining managers was the most significant problem that they faced (Jackson and Bak, 1998). Company C is a foreign-invested manufacturer of engineering devices. The company has more than 1000 employees and the majority are purely high school educated. Most of the employees are production line workers. The company was established in 2002 and has adopted the idea of treating employees as internal customers since 2008.

<<<Insert Table 1 here>>>

Data Analysis

Following critical realism philosophy, contextualised explanation was emphasised when analysing the data. The intention being to draw on the selected cases to seek explanation or explore further particular phenomena that can be used to reassess or develop new theories (Welch et al., 2011). Understanding causality between different factors requires them to be considered in a spatial-temporal context. This implies that contextualised data analysis requires explanations of situations happening at a certain

social time and place (Abbott, 1998). Without identifying the context in which the factors are located, it is doubtful whether relationships between multiple factors and overall outcomes can be generalised (Mahoney and Geertz, 2006). Proponents for contextualised explanation argue that theory testing and theory building should not be separated but researchers should seek new insights inductively without being bound by existing theory (Welch et al., 2011).

In response, this study does not aim to seek generalisable findings, but seeks to create localised explanation, i.e. within the Chinese context based on different ownership types and industries (Stake, 1995). Studying three cases offers a way of reconciling context and provides explanation by acknowledging the complexity of the social world, the bounded scope of the context and the simultaneous operation of multiple interaction effects (Welch et al., 2011). The method of contextualised explanation invites the reader to evaluate the applicability of the results in different situations (Pauwels and Matthyssens, 2004). The choice of the cases has led to a specific interpretation of each case and allows for cross-case comparison (Eisenhardt, 1989).

The interviews were conducted in Chinese and later translated into English. The researchers formed an independent view by reading through the interview transcripts and manually coded each individual case, thus allowing for a comprehensive review. While coding, the researchers applied inductive and deductive approaches to theorising by considering insights from existing theoretical perspectives, thus allowing for the emergence of new events, constructs, outcomes or explanation within and across-cases (Graebner and Eisenhardt, 2004). From this process a framework emerged to describe the key constructs.

Results and Discussion

IMO Composition

Information gathering. From the data, it was noticeable that all three companies collected information from their employees and managers (see Table 2). Information may be generated through a variety of formal and informal means, such as primary data collection e.g. survey, interview, secondary data consultation, such as via databases, or through social activities, including tea breaks, casual chats and gatherings like birthday parties.

Taking Company A, for example, the company undertakes employee surveys to measure managerial/supervisor performance twice a year and information is also collected in terms of getting ideas from the workforce on how to improve production efficiency, cost reduction and leisure activities. Employees who contribute ideas are rewarded. From the departmental perspective, Andy, the QA manager commented: “*we have a precise procedure ...It requires smooth links between each handover. To avoid unnecessary conflict at the year end, managers of different units have to sit down and talk about potential issues...negotiate the handover output and responsibilities to make the procedure better*”.

Anne, the CEO said: “*Managers from different units need to make sure there are no overlaps which may cause repetition in work, nor gaps which may cause system failures. ... In earlier years it was quite easy as the company was small. With the growth of the company, each department participates in procedural design and it has been good as we review it every year. The process has become more and more challenging but you can see that efficiency has improved every year by understanding each department’s expectations and needs.*”

For Company B, of which the majority of employees are very young, staff surveys are used to identify what young employees want from their employment. Through the information generation, Company B discovered that employees appreciate appropriate training schemes that can be tailored to their individual needs. Based on a good understanding of the needs and wants of its employees, the company has established its own college where staff are trained not only on how effectively to perform their daily jobs, but more on how to be successful in their careers.

The learning experience very much simulates a vocational MBA programme, where employees extend their knowledge in management, teamwork and professional skills. The HR manager Betty commented: *“The college aims to make employees feel proud of themselves, the brand and the company that they work for. Instead of being afraid that well-trained staff can easily change jobs, the learning experience in the college encourages employees to pursue their dreams in life, which is particularly welcomed among young employees. If young employees consider the company’s success to be part of their dreams, then they are more likely to be committed and willing to contribute more to the cause.”*

Internal Communication. From the data, it was evident that information communication for the purpose of employee satisfaction happens at two levels within the organisation. That is through employees and via departments that service others. Company B adopts a very interesting way to communicate with its employees by creating a pleasant atmosphere. There is an annual birthday party named “grow up together with you”, which invites employees to celebrate birthdays together with the company on the day of the year it was established. This event aims to bring employees from different departments together, so they get to know each other in a relaxed and pleasant environment, and thus sharing experiences as well as participating in games

etc. There are also annual travel packages for employees to go on holiday together, so they can communicate better with one another in a more relaxed environment. These informal activities create a positive environment for staff, which fosters a pleasant working relationship among them all and across different departments. Having activities that are undertaken together is particularly appreciated in a collective society, such as China, to help preserve social harmony and advance collective interests (Schwartz, 1992).

Company C represents a manufacturing company where the majority of employees work on the production line. Most of these staff members are of a relatively lower educational level. High-technology communication methods, such as using company websites or lengthy company newsletters are not popular among this group of staff. Blackboards are therefore used to communicate with employees in the production department. A blackboard is placed at the entrance and the content on it is very short and includes the use of visual images. The content also highlights individual achievements on a day-to-day basis, together with key issues relating to production. Company C is also proud of its pleasant and casual communication approach.

China is a society characterised by its high level of power distance, where society typically accepts that power in institutions is distributed unequally (Hofstede, 1980). Removing perceptions of unequally distributed power and authority may therefore motivate employees to contribute their ideas openly. Power distance at the employee level in Company C is fairly low. An employee explained: *“As a common worker, we are very pleased that managers are eating at the same area in the canteen like the rest of us. There are no special food arrangements or space for them. We sometimes catch the opportunity to have a chat with the boss who is also very happy to talk to us during*

lunch.” Employees who believe their organisation values their contributions often feel that it also cares for the welfare of staff (Eisenberger et al., 1986).

Responsiveness. Being responsive simply equates to whether the company takes action on what has been reported. Without effective responses, the first two steps would be pointless as employees may feel there is no point to complete the survey or talk to managers if their voices are not heard (Yu et al., 2017). Colin, the front-line employee from Company C commented on how his managers react to employees’ requirements in a prompt and reasonable manner: *“Our boss and line-managers are very efficient in terms of responding to requests. For example, some of us found that the route taken by the shuttle bus was very inconvenient, particularly for staff who live far away from the factory. Immediately after receiving a report from the employees involved, new shuttle bus routes and timetables were arranged. It took management only two days to have this issue resolved. You don’t have to go through the tedious reporting system. I don’t know what others think. At least, I am very impressed.”*

Company A uses reward systems, praise and carefully designed training programmes to respond to the needs of the internal market. Both extrinsic and intrinsic rewards are applied to show respect for what employees want. Extrinsic rewards include money, gifts or salary increases. Intrinsic rewards, include posting a photograph of star employees on the post room wall, acknowledging staff and back patting among senior managers, as well as praising employees in company-wide meetings. Intrinsic rewards have been considered to be very effective, especially for front-line employees who care quite a lot about their reputation or ‘face’. Offering praise in front of other colleagues is very encouraging and may link closely with the Chinese collective culture. Chinese employees tend to have more community sense relating to their working group (Walumbwa, Lawler and Avolio, 2007). Although both extrinsic and intrinsic rewards

offered are not major, there is some evidence to suggest that employees do significantly care about praise, as they feel valued, respected and this is in-line with the organisation's readiness to reward increased work effort (Farh et al., 2007).

Responsiveness can also refer to the effort the organisation makes to facilitate better interdepartmental relationships. Employees may feel nervous when asking for support from other departments due to the imbalance of power within some organisations. Taking Company B for example, where the finance department had previously been perceived as a power centre and employees used to feel really stressed when making expense claims. In recent times, this view has changed as the finance department is now decorated like a bank to give every employee a strong sense of the supplier-customer interface.

Responsiveness can also be reflected in contractual packages designed to suit specific employees' needs and demands. Role changes may be offered to those who want to try different types of job roles where possible. Colin from Company C said: *"There is a training centre in our company. At the very beginning of each year, we are asked to name the type of training that we need. Once approved, you can take courses within the company, normally the ones highly relevant to our work. We can apply for whatever courses we think are necessary..."*.

Senior management commitment. The success of IMO will also depend on how well senior management generate information from employees and respond to their concerns accordingly. Senior management should not only make promises in terms of their commitment to be internal customer orientated, but more importantly, ought to take action by better understanding employees' needs and wants, actively engaging in mutual communication and being responsive to employees' ideas and suggestions.

A manager from Company A said during the interview: *“When the new management style was adopted, we were all very concerned and felt greatly confused. I guess it was because nobody wants change, particularly for those departments with power advantages. They really didn’t like the idea of serving others internally. However, as time passed by, employees now see the benefits of the internal customer procedure design and a service mind-set. Therefore, it needs top management to be determined and persistent on what to do systematically regarding the notion of the internal customer and then decide who does what.”*

Company B demonstrated a similar style at the initial stage of their IMO implementation. Staff from the office said: *“Our big boss promoted this programme in a companywide conference. He said that IMO can only succeed if everyone in the company is devoted to it..... The service quality of departments is included in our annual performance measurement. An understanding of internal supplier-customer relationships does significantly contribute to improve the company-wide atmosphere.”*

Management should also be responsive to employees’ ideas and suggestions. Senior management is often seen as a role model and should demonstrate their dedication to the internal market (Conduit and Mavondo, 2001). Colin from Company C said: *“... it is really encouraging to see that our managers are devoted to providing us with what we want”*. It is the top management’s commitment that guarantees the application of IMO within the company. The job of senior management is to create an open, fair and balanced working environment.

<<<Insert Table 2 here>>>

Outcomes of IMO

Existing research assumes that IMO can positively influence an organisation's internal performance (Conduit and Mavondo, 2001). By analysing the cases, it is argued that the outcomes of IMO in each context may have their own features at different levels.

<<<Insert Table 3 here>>>

Employee Level

In organisations where IMO is successfully applied, organisational commitment is more likely to occur as employees have strong feelings of self-worth (Panaccio and Vandenberghe, 2009). Committed and loyal employees are a source of competitive advantage for organisations (Ramlall, 2003) and research suggests there is a significant relationship between individuals' commitment and their performance (Yu et al., 2017).

In Company B, employees are mostly young. They value care and attention provided by the company. One staff member commented: *“Most of us want to stay with the company because we do see ourselves growing with the company. For us, it is like a dream come true. You feel the ups and downs just like your boss about the business. We witness the expansion of the company. Working for the company is not just a job but more like a dream career for life.”*

Another noticeable practice found in Company A was the transparent announcement of financial information and rewards. Each employee is aware of what they can potentially achieve based on corporate performance. Individual bonuses can easily be calculated by employees once profit is known. The atmosphere in the company has improved significantly after employees were made aware of the company's financial position and the fact that they can share in its success. These

examples also reflect the specification of the cultural context where power distance is high. People in this type of social environment care strongly about how they are treated by those in authority (Tyler et al., 2000).

Departmental Level

The awareness, identification and appreciation of internal customers and suppliers are considered a pre-requisite for delivering good internal service (Lings, 2004). The CEO from Company A commented: *“From the farming field to the end customer, our business has a high demand for smooth links between different functional departments. Departments are encouraged to solve conflict themselves. Staff and departmental managers are informed that only cooperation leads to better performance and senior management will only get involved if departments can’t settle conflict themselves”*. The QA manager also said *“Historically people from different departments fought against each other because they wanted to protect their own benefits. Now most conflict is quite positive because it becomes a process for identifying problems and solving them.”*

The Production Manager from Company C commented: *“I don’t think our company has much interdepartmental conflict now. Every department is working towards the same objectives. We are very clear that causing each other trouble will result in poor overall performance and none of us will get any credit. We tend to put issues on the table now for involved parties to discuss, negotiate and reach an agreement. The overall company working environment is much improved with a feeling of openness, transparency, determination but much less hidden pressure. Previously, there was a feeling that we had to beg the other department to help in order to complete our tasks. Now, no such feeling exists.”*

Corporate Level

By going through the cases, it was discovered that more corporate level outcomes can result from successful implementation of IMO. Such practices are considered beneficial for organisations as they can serve to reduce employee turnover and their associated costs. Retaining talented employees is of primary concern for many organisations (Hausknecht et al., 2009). Combined with the direct and indirect costs, the total cost of employee turnover can often exceed 100% of the annual salary for the position being filled (Allen et al., 2010).

In Company A, mutual trust is established because of internal customer orientation. Employees feel appreciated, valued and comfortable to work in the friendly environment and are more committed to the company, particularly among those on the front-line. Employees are proud to work for the company due to its openness and the opportunity to share in the company's success. Company A has relatively low employee turnover rates compared with others in the industry. This is particularly obvious during the peak farming season when there is often a labour shortage. Most employees have strong positive feelings in working toward company objectives as they realise that if the company performs well, they too will benefit.

The company has particularly enjoyed highly improved interdepartmental relationships which has led to good profitability in the sector compared with its competitors. The CEO from Company A said: *"We are a pure state-owned company which was established 20 years ago. It is quite rare that a state-owned company can perform well like us. In the free competitive tea market, we are the only one that can have such good profitability. We are considered a freak in the industry because of our ownership type and good performance."*

In Company B, the manager commented: *“though most of our employees are very young, we have an unexpected high rate of retention. We are also very open to staff wanting to leave us. We tell those who were hunted by other companies that our door is open for them at any time if they want to come back.”* The practice of IMO leads to the improvement in employee satisfaction. Since 2005, Company B made large scale improvements in market share and sales.

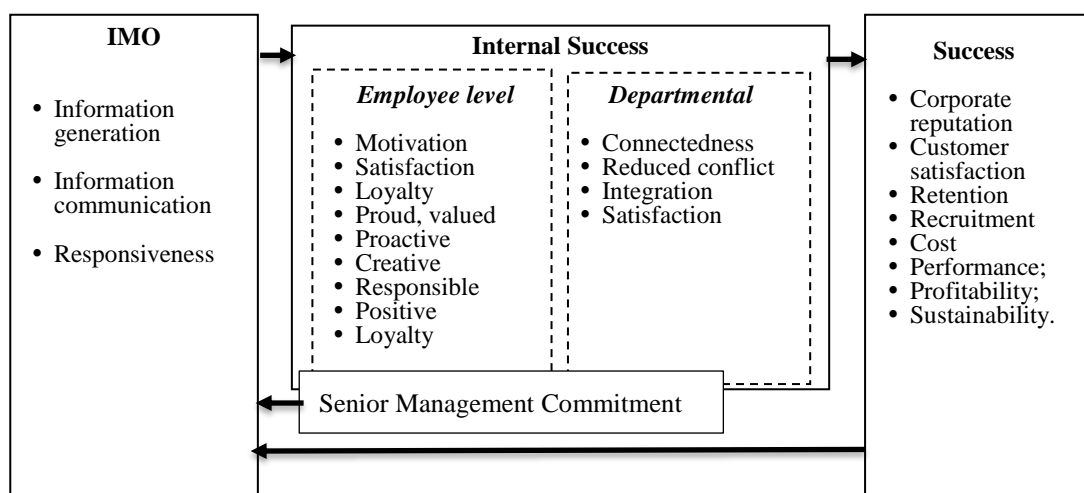
For Company C, since the top management announced the implementation of IMO, employees have experienced a great increase in satisfaction. They feel there are fewer gaps between different hierarchies in the company and the management team particularly emphasise activities that promote equality and justice. For example, the company adopt name tags and use different colours to indicate different functions but not different positions. There is a unified dress code throughout.

The working atmosphere and environment in general are so good that employees become recruitment ambassadors when they go back home for holidays. Particularly now, companies in the coastal area suffer greatly from labour shortages as most of their employees who are from rural areas in China tend to choose closer locations to their hometown (Wu, 2013). An employee said: *“I am very happy and confident to introduce my company to my friends, relatives and village people back in my hometown. I have many colleagues whose sons inherited their father’s job positions in the company.”* With employees contributing toward creative ideas to reduce any unnecessary steps associated with the working procedures, the company has saved around 3% of overall costs. The average net profitability spread out in the year reached 7% which moved the company through a difficult economic climate.

Conclusion

Drawing on this case study approach, a holistic framework is proposed based on the data (see Figure 1). Within the framework, core components of IMO and outcomes are outlined. In order for IMO to succeed, senior management is considered to be the pioneer to initiate and fully embrace the concept. Management needs to sufficiently commit to such programmes and provide continuous support for these initiatives so as to reap the potential benefits they can bring (Lings and Greenley, 2009).

Figure 1. IMO Conceptual Framework and Outcomes



Difficulties in implementing the IMO concept may include resistance from staff who are against any form of reform. Responsibility for the implementation of such a strategy cannot be assigned to any single functional department, as it requires ‘buy-in’ from all departments and individuals to work together under the leadership of senior management. All dimensions of IMO are important. It is critical for practitioners to understand that even adopting the best possible practice of information generation and

communication may prove fruitless if there is a lack of responsiveness amongst the senior management team.

Managerial Implications

Implementing IMO practices calls for management to: invest more resources in acquiring information from employees; implement schemes to better communicate with the workforce; take prompt actions to respond to information; and foster better interdepartmental relationships to remove barriers. There is a constant need for leaders to shape their organisation to become more internal market oriented.

In terms of what needs to be included in IMO practice, both formal and informal techniques should be used to listen to staff as well as communicate with them (Lings and Greenley, 2009). Although it is already quite popular to have staff satisfaction surveys or individual interviews, managers should specifically pay attention to generate information about what internal customers expect, what they would like to ideally receive from suppliers and whether they are satisfied with their internal suppliers' products or services (Rucci et al., 1998). Despite formal ways for acquiring internal information, other less formal mechanisms may prove useful, particularly within a collectivist and high power distance cultural context. Activities such as having meals together like lunch, or dinner for special occasions, birthday party celebrations, organised group travel, sports games, group employee weddings and outdoor team work building activities may therefore prove beneficial.

Second, management should ensure effective internal communication, as it will increase employees' understanding of the norms and values of the company. Being well informed about organisational issues such as goals and objectives, new developments, activities and achievements can often facilitate employee motivation and enhance

positive attitudes (McClean, et al., 2013). Effective internal communication also refers to whether employees' views have been taken seriously and valued (Smidts et al., 2001). Management should encourage some degree of openness, consultation and staff participation so that employees feel they have a voice and support.

The third significant dimension of IMO demands that the company acts promptly towards internal information that has been generated. Without prompt responsiveness to employees, staff may feel isolated from key decisions, undervalued or greatly ignored. Actions demonstrating responsiveness among the managerial team can be reflected in reward, praise, job role, training programmes, or promotion channel designs.

The effective implementation of IMO serves to foster favourable attitudes among staff that can contribute to long-term organisational success and serving the society at large. Work is a big part of peoples' everyday life. Treating employees with respect and caring for their well-being will lead to their personal fulfilment and self-actualisation (Mèle, 2016). Apart from contributing to an organisation's success, happy, satisfied, less-stressful employees can serve to leverage overall social well-being and help secure a sustainable society (Greenhaus et al., 2012).

Limitations and Future Study

In summary, this article provides support for the significance of IMO as a managerial tool that contributes to corporate success within a Chinese cultural context. However, there are limitations associated with this study, such as the qualitative nature of the investigation, which draws only on a limited number of cases to examine the phenomenon. Case studies have been perhaps unfairly criticised for being somewhat 'unscientific' (Chandra and Liang, 2017). Future research should therefore consider developing the model into a quantitative study to validate the potential links between

IMO, internal success and corporate performance. Furthermore, longitudinal research should be carried out to monitor potential changes over time.

Finally, as the cases in question were from China, country specific features need to be taken into consideration, albeit these cases have revealed some interesting insights relating to the specific cultural context of organisations operating in the PRC. Future studies can therefore consider the inclusion of further cultural dimensions, in order to explore additional factors in terms of employee attitudes and behaviour, as well as extending the research in other emerging market contexts.

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